Panel Session Interpretive Transcript*

Regulatory Alignment Needs to Support Better Regional Outcomes*

California Water Plan Update 2018
Second Plenary Meeting
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Description: This session is intended to be a positive, forward-looking, and solution-oriented discussion of strategies and actions to better integrate and align water-related regulatory practices at the regional scale. The panel, consisting of key members of the regulatory and integrated regional water management (IRWM) communities, were asked to share their insights and ideas about how regulators and the regulated community can work together better, and in an integrated manner, to improve regional water management outcomes effectively and efficiently. Information from this session will help the California Department of Water Resources (DWR) and other state agencies determine how to best implement alignment actions identified in *Stakeholder Perspectives – Recommendations for Sustaining and Strengthening Integrated Regional Water Management***.*

Moderator: Lynn Rodriguez, Watersheds Coalition of Ventura County and IRWM Roundtable of Regions

Panelists* ** (speaking order)**:**

Steven Moore, State Water Resources Control Board
Junko Hoshi, California Department of Fish and Wildlife
Martha Davis, Inland Empire Utilities Agency
Carl Morrison, Bay Area Flood Protection Agencies Association
(please see the editor's note for Carl Morrison in the biographical summaries***)
Vincent Gin, Santa Clara Valley Water District
(In place of Norma Camacho, Santa Clara Valley Water District)
Karen Buhr, California Association of Resource Conservation Districts

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** This "interpretive transcript" of the subject panel session is not a verbatim record. Changes were made between the panel session recording and this written record for the sake of readability and understanding. Careful consideration was given to preserving the original content and meaning of each speaker's contribution. The panel session recording is available at:* https://www.youtube.com/watch?v=WF7h852PlkA

** This report can be accessed at: https://www.water.ca.gov/LegacyFiles/irwm/docs/IRWM_Recommendations.pdf

****Biographical summaries are presented on Pages 18 through 21.*

***Lynn Rodriguez* – Introduction**

I want to begin by thanking DWR for including the IRWM Roundtable of Regions, which I co-chair with Tracy Hemmeter, in the planning of today's three regional water management-focused panel discussions. These panel discussions are related to conversations we are having at the Roundtable of Regions level. I'm hoping that today's audience also includes folks that are not part of the roundtable so that we can bring others into this dialog.

Before we start to hear from these six great panelists about regulatory alignment needs to support better regional outcomes, I want to pose some basic questions to help start the panel discussion:

- Why do we need regional regulatory alignment?
- Why do we need to work together?
- What are some of the positive outcomes that can be achieved?

My thoughts about answers to these questions are:

- A lot of this is about avoiding unnecessary costs
- More efficiency is needed at the local level to get beneficial projects going
- Expediting processes
- Spending less time on regulatory matters and more time on projects
- Improving trust with the regulatory community—something huge that you'll likely hear about from the panel
- Increasing predictability by getting things settled upfront

All of this is ultimately about achieving better regional management of our water resources.

So, to start things off, I would like to ask each of the panel members, who represent a vast amount of experience across the various facets of water management including water delivery, resource conservation, and regulatory roles, to briefly share examples of misalignments with IRWM projects and the consequences of those misalignments.

Steven Moore

Integrated regional water management is an opportunity for better coordination between the water boards and the local water leadership. IRWM provides a fertile ground for creating and improving relationships between the regional water boards/State Water Resources Control Board and local leaders. The various regional boards across the state have had varying involvement and experiences with IRWM and they are happy to engage and discuss/share goals. IRWM also has helped create and improve relationships between and within local water agencies, including for example, individual agencies that manage both drinking water and wastewater.

As far as misalignments, I can't give a lot of examples except that it can sometimes take a lot more time to work through regulatory processes with multiple agencies and the permitting that may be required to ensure water quality issues are integrated. The main theme of misalignment relates to when IRWM projects are dominated by water supply interests where water quality concerns can sometimes end up being an afterthought. There have been some successes too, like the salinity management work in the Ventura area which illustrates a good case of where IRWM project funding was linked up with regional board permitting processes.

Aligning IRWM with water quality standards represents a huge opportunity. When you link IRWM projects to the achievement of standards, like for dissolved oxygen, safe fish passage, safe drinking water, etcetera, then, with those things aligned, there's a lot of power within the regulatory process to ensure things are funded and implemented.

I want to remind everyone that the regional boards are organized according to the major watersheds/hydrologic areas of the state. That creates a great template for the state's role in working together with everyone.

IRWM is an important stepping stone that we need to maintain. I encourage IRWM regions to do more up-front coordination with the regional water boards.

Junko Hoshi

The opportunity for water management alignment at the regional scale is wide open right now. I am saying this because, even though DWR and CDFW (CA Dept. of Fish and Wildlife) have not yet have a chance to strategically align our operations, there is a strong interest among the departments and the public to do so. It is a perfect time to have a discussion on this topic.

Actually, at the framework level, the Water Plan and the California State Wildlife Action Plan (SWAP) [https://www.wildlife.ca.gov/SWAP/Final] are already well-aligned, or pre-

aligned. This is because the SWAP has multiple goals that include the integration of public interests as much as possible in the context of conservation, much like the Water Plan does.

Some might have experienced different positions or attitudes from staff in our headquarters office and our regional offices; those would definitely hinder alignment among departments. We are working very hard on this and there should be improved consistency among all our offices with time, especially since CDFW has adapted the SWAP as the blueprint for our actions.

The State Wildlife Action Plan has a 2-tiered structure providing statewide strategies based on regional assessments and needs. The regional assessments are conducted on two types of regional units—terrestrial and watershed units-- and for each unit, a robust set of strategies have been developed. The hydro units include Russian River and Santa Ana watersheds where IRWM pilot projects are ongoing. Strategies for the two watersheds are ready to share, so we could start a dialogue right now to prepare aligned management in the watersheds. I am looking forward to the collaboration from regional perspectives as our next step.

Martha Davis

I was really glad that Steven Moore started out talking about some of the value of the integrated water management approach. In the Santa Ana watershed, we are one of the older IRWM efforts in the state. We had a lot of legacy problems related to salt and nutrient buildup in the Chino Basin, and with issues related to how we share available water in the basin and become more efficient with it.

We began water management integration by looking at the management of salt and nutrients on a watershed basis. This enabled us to develop all sorts of water supply projects in the context of protecting and improving water quality and it proved to be of great value in the end.

Through our regional water management plan, we were able to develop and get approval for a “maximum benefit solution”. This enabled us to go back to our regional board and the state board to modify water quality standards in consideration of our IRWM project implementation efforts.

If I were to pick out some of the places where integration is really hard, it’s at the individual project level where there are genuine tradeoffs. So, as we talk to one-another about how we do better planning, we must deal honestly with the things that are in

competition with one-another and then work things out. That's where I see a lot of the misalignment and sometimes misunderstanding occurring. There are solutions to this that can be worked out together.

Our IRWM plan has been in place long enough such that there has been turnover in participating agency staff. New staff are not always cognizant of all that has gone into the planning effort. They also are not always familiar with all the documentation that's behind the integrated regional plan. This can be problematic when the lack of background and knowledge causes people to question longstanding, hard-won agreements. It boils down to being a communication issue and it's a serious matter. As we go down the path of water management integration, there has to be some way of building continuity and strength within the decisions that have been made. It's tough when we keep getting new people, including new regulatory staff.

Carl Morrison

Interestingly enough, the Bay Area Flood Protection Agencies Association was created after all the flood agencies in the bay area had to get together and write their portion of the first Bay Area IRWM Plan. We decided that we liked each other and that there were other things that we could do together, so that's one of the benefits that resulted from the Bay Area IRWM plan.

Regarding the challenges related to alignment with IRWM, including permitting, you have enough challenges getting a permit for a single-purpose project, but when you have a multi-purpose project developed through IRWM, you can exacerbate the permitting challenges. We haven't experienced that in the Bay Area, because the Bay Area IRWM Region (which we were asked to form) consists of all or parts of nine Bay-Area counties. So, for example, what happens in Santa Rosa in Sonoma County probably has little, if any, impact on what happens in Santa Clara County. In my opinion, we have only had one project in the Bay Area that is really a regional project. That project (regional radar and advanced rainfall forecast system) is fairly new and will require very little permitting.

Most of our projects have been a compilation of individual agency projects. For example, our Bay Area Regional Conservation Program is a compendium of individual agency conservation programs with each having their own conservation standards, rebates, etcetera.

The Bay Area Region (primarily with the flood agencies as lead) has been working to try and bring the permitting agencies together so that we have consistent permitting requirements. In some cases, what is considered a mitigation action by one regulatory agency is a no-no for another. I think we've all encountered that.

I remember a California Biodiversity Council meeting where John Laird (representing California) along with someone from the Bureau of Land Management, talked about the need for alignment and working together. From our perspective at the regional level, no improvements made it down to us where permits are issued. There was a pilot effort planned for the high-speed rail project, but I don't think we are anywhere near doing that yet.

Some of the other things we are doing in the Bay Area IRWM Region include having quarterly meetings with the regional board. We are now also doing that with the Department of Fish and Wildlife. We may even have a meeting where we bring both together. I will share more about alignment solutions later in this session.

Vincent Gin

As we deal with a lot of societal challenges with water, the environment, and flood protection, most people think that the main challenge is money. I used to think that, but I've concluded that we are addressing the money issue (of course there's never enough) through state bonds and local tax measures. I think the greatest impediment to fulfilling our obligation to the public is the regulatory process. Not to just lay blame here, but it's the regulatory process that hasn't kept pace with other advancements like improved funding, better communication and coordination to support multiple benefits, and regional approaches. The regulatory process needs to adapt as well.

I have two ideas for helping remedy this situation. From the public agency standpoint, regulatory agencies and local water management agencies all serve the public and can have common goals. As subdivisions of the state, local agencies are essentially sister agencies to state agencies and should not necessarily be treated as an adversary by the state, or by the federal government. Regulatory statutes and rules should reflect that. We need to be better aligned and work better together for the public good.

The second idea relates to regulatory agency staffing. Regulatory agencies often have complex processes and procedures that they must follow, and they typically don't have enough staff to deal with the large number of permit applicants. My agency, the Santa Clara Valley Water District, has funded a total of 5 regulatory agency positions through the Association of Bay Area Governments to help with this issue. Two of those positions are with the U.S. Army Corps of Engineers, one with the U.S. Fish and Wildlife Service, one with the state Department of Fish and Wildlife, and one with the Regional Water Quality Control Board. Funding these positions has helped address some of the acute needs of my agency, but this concept is not for everyone, perhaps not even for most folks out there. The key point here is that there is a "supply" or capacity issue for regulatory agencies that needs to be addressed.

Karen Buhr

The ninety-eight resource conservation districts throughout the state work at the intersection of community, agriculture, and conservation. These districts often implement small-scale environmental restoration/improvement projects in their communities, and typically much larger projects in agricultural areas. Project are wide-ranging and include things like irrigation efficiency, carbon farming, fish passage, and many others.

Resource conservation districts encounter a lot of regulatory and government alignment issues, but I think one of the biggest examples are projects that involve fish passage. Even though a fish passage project is entirely consistent with the State Department of Fish and Wildlife's role for protecting fish and wildlife, such projects are often subject to an excruciating review process. This can be especially problematic for small districts with limited staff and funding. Just getting permits can be a huge impediment to completing a project.

So, thinking about this from a resource conservation district's side of things, imagine the effort it takes to identify a land owner with something like a culvert or bridge that impedes fish passage who is open to fixing the problem and is willing to spend their own money to do most of the work. Then, imagine a district having to find the staff time and resources to get the project permitted. Permitting, in the best possible circumstances, can take a year and tens of thousands of dollars to complete. In worse circumstances, we are talking more like three to five years of delay, and something in the range hundreds of thousands of dollars to obtain permits. For resource conservation districts, this can stop a fish passage improvement project because of the relatively huge burden it places on districts, and/or because of land owner frustration and the loss of interest that occurs due to project delays. The time and expense required to obtain permits is the single biggest thing impeding watershed restoration projects by resource conservation districts.

Another challenge that resource conservation districts (which are mostly soft-funded) face relates to state grants. State agencies, such as the Department of Fish and Wildlife, do not issue grants to cover project planning, and if they do, it's a completely separate step. If you haven't obtained all your permits during the unfunded project permit phase before you receive a project grant, you may end up not having that grant funding when the project is ready to go because the grant agreement has expired.

In summary, there's misalignment between what the resource conservation districts are trying to accomplish and how they are treated by the regulatory agencies, and there is misalignment between state grants and the regulatory process, including timelines. The impact of these misalignments is that there are a huge number of environmentally-

beneficial projects that can't be implemented, even though we have cooperative landowners willing to help fund those projects.

Lynn Rodriguez

Thank you for all those great examples of regulatory misalignment. I think this session will generate a lot of good discussions beyond the ones we are having today.

One thing I want to quickly point out is that we would like to link today's discussion with the IRWM stakeholder perspectives document (https://www.water.ca.gov/LegacyFiles/irwm/docs/IRWM_Recommendations.pdf), released by DWR in April of this year (2017). This report is the outcome of several years of strategic planning efforts for the future of IRWM in California and is full of the great ideas and suggestions from stakeholders provided at numerous workshops across the state. The report provides a wealth of information confirming what we know in the IRWM regions and it outlines how local and regional entities can work together with the state. One of the key strategies identified in the document, in fact the very first one, is "Improve Alignment".

As we proceed with this panel discussion I want to be sure that members of the audience today are aware of this document, in case you haven't seen it yet. Copies are available in the room. I encourage everyone to read the report, including the part about improving alignment.

We are just in the beginning stages of using this document to help drive what happens next. What we would like today is to help come up with ideas for what's next, including how to move forward with all this.

I now would like each panel member to share specific ideas for improving alignment. Do you have solutions in mind? If possible, I would like each panel member to describe how their solutions fit in with those identified in the stakeholder perspectives document, or if your solution is something new.

Steven Moore

At the State Board, we believe we are making a lot of progress in the area of alignment. This includes recognizing the resource value of wastewater and stormwater, and instituting that recognition at the State Board and the regional boards. We are reconfiguring the way we regulate wastewater and stormwater to incentivize their use. I encourage you to take a look at our stormwater strategy. We've already begun to contemplate alternative forms of compliance.

Regarding stormwater, there's the engineering reality of infrastructure renewal and the development of green infrastructure over the coming decades. We established alternative compliance pathways through a precedential order that we adopted in 2015, which we are very serious about. That order sets the stage for alternative ways of complying with stormwater management requirements by recognizing stormwater as a resource. I know there are many in the room today that are working cooperatively with the regional boards to help make this adjustment happen.

For wastewater recycling, there's over a billion dollars of low-interest loans that have been appropriated. Proposition 1 funds for wastewater recycling are already spoken for. Next month, we will be looking at a debt-management strategy to fully leverage the state revolving fund from $1.2 billion to $2.2 billion. That strategy includes looking at ways of not saddling all of our infrastructure costs on our grandchildren. We either pay now, or we incur bond debt that the next generation must pay off.

Open data and decision-making transparency are key to working with the public and ratepayers, and for dealing with ratepayer backlash. The state needs to partner with local agencies to share information about what we need to pay for to keep water flowing from the tap, our farms supplied, and protect the environment.

When it comes to regulatory alignment needs, it's not just with each other, it's also within our own agencies. The State Board and the regional boards all have to work together to get our priorities and our planning and permitting efforts aligned. It all comes down to a commitment to collaboration.

Earlier in this session, the problem of regulatory agency resource limitations was discussed as an impediment to alignment and the timely permitting of projects. For my organization, getting more staff would require fees to go up. As you may know, the Water Boards are fee-supported and we just increased fees for some of our programs last week. It's never an easy issue to address. We always need to look at ways to do more with less.

Strategic collaboration toward water management solutions is critical and we are striving to fully recognize and reward that, not only through our funding programs, but through our regulatory programs as well.

A key point I want to leave you with today is please think of regulatory processes as your allies. If you work with the regulatory agencies to devise a path to compliance that empowers you to invest local funds, and partner with the state to implement projects that achieve multiple benefits, then you've helped make it easier to get things done at the local level.

I worked at the local level as a civil engineer and I heard city managers repeatedly ask, “is it required?”. If the answer is “no”, then the project won’t happen. If a city manager asks the same question but the answer is, “yes, it’s required, but we can get away with not doing it”, then the project still won’t happen. But, if a project is required and there is no way to get out of doing it, that’s when the project will get funded.

You can use regulatory processes (especially multi-agency processes) through pre-application forums to help you get your permits. I was able to obtain streambed alteration agreements and 401 Certifications within thirty days when I worked for sewer agencies. It takes local leadership to put these forums together.

As mentioned earlier, the Water Boards have limited resources but we are interested in helping and want the system to work for locals. We are not in business to hold things up. Our goals and our mission are often similar to those of the permittee, but getting things done means hard work, rolling up sleeves, and setting up processes. Collaborating with regulatory agencies up front can help things go much more smoothly. Of course, this is easier said than done, but it’s important for all of us to commit to doing things this way.

Junko Hoshi

Very good. When you think of regulations and permitting processes, it can be a headache, but it’s important to remember there’s a reason for these requirements—we’re trying to hold onto or protect a value of some kind. That value could be water rights, biological diversity, water availability, etc.

Regulatory agencies are coming from good intentions but, individually, our focus is very narrow and regulations are developed around a particular focus--each regulatory agency becomes a monster on its own. Those monsters come together and start talking, an interesting talk, or maybe we cannot talk. But step back a little bit and reflect on the full body of natural resources in the context of water. Life depends on water and conversely, water depends on life; water storage depends on forest health etc., so it goes both ways. If there are ways we can assure the value of the promised intentions and come back together recognizing these diverse values and needs, and then have an alignment process, I think we will be in a better place.

Associated with that, it’s important to have a good outcome indicator set; the Water plan team is working on developing a set as are we. Those indicators often reflect regulatory values so during alignment efforts, it is important to select indicators very carefully to reflect all different kind of values.

For alignment, showing relationships among the indicators is also important. For instance, if you have great quality of water, we tend to have a healthy ecosystem associated with that. If you have running active water in a riparian system, our riparian forest tends to be rich. Water quality (a perspective from chemistry) and biology (which is more of our perspective) are different, yet they are related. If we could show this kind of correlation by quantifying the mutual dependence of those values, and with the acceptance of diverse values as I mentioned earlier, we can prosper and any small differences should become negotiable.

By the way, there is now a new regulation called Regional Conservation Investment Strategies (RCIS) under Assembly Bill 2087 (2015-16) that was enacted this year. This bill encourages you to think about conservation at regional scales asking for ecological and other analyses at regional scales, and based on that, you might further consider options to receive mitigation credits. The mitigation credits could be for state or federal regulations. We are trying to make progress to align projects at regional scales through the program. Senate Bill 103, enacted in July 2017, already amended the new regulation by removing (for the benefit of stakeholders) some of the restrictions placed on the RCIS; please check it out.

Martha Davis

A friend of mine has this great quote: “there is no silver bullet, only silver buckshot”. I think the quote fits the issue of regulatory alignment.

So, to continue with some of the themes mentioned earlier and relating them to what we’ve learned in the Santa Ana IRWM Region, I think the notion of front-end collaboration is key.

In an earlier session today, Charles Gardiner and I discussed how dealing with regulations in the old context was all about minimizing project impacts in relation to regulatory requirements (fisheries, water quality, etcetera). The problem with that approach is that it’s not really about dealing with outcomes. So, when you talk about taking a new and flexible regulatory approach, it’s really about achieving a desired outcome for a region. Within that desired outcome can be the value for environmental resources and how to make multiple things harmonize together and lead to improvement.

So, going back to the Santa Ana region, one of the lessons-learned from the region’s processes is that it was the ability of the region to work with the regional board to change their basin plan which made a difference. This allowed us to do more to improve water quality in harmony with the conjunctive management of our region’s groundwater

resources and in harmony with the investments we wanted to make for water supply and environmental resource issues.

None of the good things I just mentioned can occur without strategic front-end collaboration. That's where you have the conversations that lead to mutual understanding of multiple benefits. This isn't something you approach by simply telling state agencies that they need to do something--it instead is something that you do together with state agencies. Everyone needs to buy in on collaboration even though it isn't easy to do and takes time and money. Ultimately, it's about a commitment to getting the best outcome for our communities, and for the state.

Picking a few places where I would like to see action, I do think we have some challenges between SGMA (Sustainable Groundwater Management Act) compliance activities and water quality on the regulatory front, and also with riparian habitat and flood management. In those instances, I think state agencies need to come together and develop flexible approaches that honor regulatory mandates and give people understanding about where the tripping points are between different regulatory requirements and what that means on the ground.

I've participated on the Water Energy Team which is part of the state Climate Action Team. It's been interesting to see state agencies come together and make recommendations regarding climate change. For regional alignment, state agencies need to double down on working together because conflicts are only going to become more difficult with time if they don't. I think it's very important to allow state staff to participate in regional processes because collaboration makes a big difference at that level.

Regarding DWR, there are two things I will point out. There's now a wealth of success stories out there about where we've found innovative and flexible approaches to regulatory management. Those stories need to be highlighted and made a big theme, particularly as new tools and options emerge from the regulatory agencies. We need broader knowledge and understanding about how things are changing and how our regions can take advantage of those changes.

Another thing concerning DWR relates to their efforts to develop a framework for assessing multiple management/project benefits. I think we need better tools for understanding how actions can have multiple benefits and help take that information back to communities in our regions. This will help communities understand what they will be getting back from various actions and projects.

Finally, one of the challenges we have in the IRWM regions in dealing with watersheds, groundwater basins, etc. is that regions need a coordinator. Somebody must be

responsible for keeping the conversation going. It's sometimes a hard task, but it's not necessarily the most expensive thing that regions need to do—maybe something on the order of $100 to $150 thousand per year. I don't know how you do collaborative planning successfully unless you have someone that handles the coordination, including the logistics. This is a place where we need some innovative thought about funding because it's probably one of the most important first steps we can take to redouble our efforts for coordinated planning.

Carl Morrison

I want to recognize the Bay Area regional board in a positive way by mentioning the conversation I had yesterday with the regional board's regulatory branch chief. We were planning the agenda for our next quarterly coordination meeting and it was music to my ears when he said that one of the things he would like to talk to us about is the potential for having a region-wide stream management plan/permitting process. This would replace the current regulatory agency by regulatory agency process with a regional approach to make things more efficient and create less burden on already over-committed regional board staff.

Also, concerning the same discussion, the other thing that he wanted to place on the meeting agenda relates to Bond Measure AA. We just passed this bond in the San Francisco Bay area to support projects to deal with sea level rise. Eligible projects include both green and grey infrastructure and flood control projects, but there must be a wetlands restoration element to them. The regional board person I mentioned said that he was very concerned about the number of permit applications that will be coming through due to Bond Measure AA, and possibly even more applications as the result of a new state bond measure. He mentioned that he really wants to have a chat with the agencies participating in the IRWM region to improve the permitting process to make sure that everyone can obtain their permits and that the regional board wouldn't become overly burdened and have a large backlog.

I don't think we would have had the conversations I just mentioned if we hadn't been meeting with regional board staff over the last couple of years and developing good relationships. We now have even have each other's home and cell phone numbers.

This issue of alignment has been going on for a very long time. There was a U.S. Environmental Protection Agency funded project called Flood Control 2.0. It had an element where we were supposed to talk about agency alignment, but I don't know if it really turned into anything. We also now have something called JARPA (Joint Aquatic Protection Permitting System), but it's not widely known/used yet.

Vince's organization, the Santa Clara Valley Water District, wrote a white paper about regulatory alignment challenges and shared that paper with the Little Hoover Commission. Then there's something referred to as the "Silver Jackets", which involves DWR and the U.S. Army Corps of Engineers working together to identify great projects. We in the Bay Area submitted a project application and the Corps tried to help us to find funding for it.

My recommendation is that if you haven't already done so, start to, and continue, working with the regulatory agencies (Corps, Fish and Wildlife, regional water quality control board, etc.) at IRWM region level. On the state's side of things, both the administration and the Legislature need to look at the entire permitting situation, including mitigation.

All of the nine Bay Area counties touch the ocean/bay and are affected by sea level rise. In order for us to deal with sea level rise, the permitting process must change, otherwise, none of the projects we need for dealing with this problem will get approved. Changes will, in some cases, require legislative action to untie the hands of the regulatory agencies. The administration also needs to act and direct agencies and their personnel to work together and come up with solutions by a certain deadline. I think there really needs to be leadership at the state level from the administration and from the Legislature.

Vincent Gin

I've been involved with some regional coordination efforts and with a lot of pre-project consultation with regulators to vet concepts and alternatives in an attempt to take different approaches. In some cases, no matter how good the conversation is, it ultimately comes down to what the rules, regulations, and policies, or maybe even the long-standing culture are in determining what can happen. As an example, we had a terrific conversation in my area about the multi-use benefits of a project, the value of habitat connectivity, and establishing a wildlife corridor to connect habitat areas. There's a magnification of benefits when you connect habitat areas. But, in the end, it just came back to rules or what I refer to as "biologic accounting". Things reverted to habitat area numbers and multipliers for the same type habitat on the same site to meet mitigation requirements. This contradicted the whole philosophy of multi-use benefits but, as Carl Morrison mentioned previously, the regulators' hands are tied.

I think there needs to be an adaption/evolution of the regulatory approach, especially with climate change, because the rules haven't kept up with water management integration at the regional level. The planning process has evolved, but the issue of the handcuffs on regulators needs to be addressed.

Without getting into this too much, there's also the bigger question of alignment with the federal government. There's the Corps/USEPA and mitigation rule 2008 that addresses a hierarchy/priority of mitigation banks which really doesn't match up with the state's requirements. Also, state and federal permit processes really don't line up well with each other and you are only as fast as your slowest permit.

Another thing I would like to share that's more philosophical in nature, and something I don't know how it could be codified, would be for regulators to take a risk-based approach in their permitting efforts. With regulatory agencies having to deal with an onslaught of permit requests in response to bond measures, sea level rise, and other factors, I wonder if as much regulatory attention and energy needs to be given to low-risk projects as is given to high-risk projects. Taking a risk-based approach in applying limited regulatory agency resources to various permit requests could help stretch agency resources. Leadership would be required for such an approach to be taken so that staff would be free to exercise judgment and to make decisions. I think a risk-based approach to regulation could go a long way toward improving efficiency.

The last thing I want to touch on is something that Carl Morrison mentioned; the Little Hoover Commission. I urge you to read the commission's report that came out in June 2017 (http://www.lhc.ca.gov/report/improving-state-permitting-local-climate-change-adaptation-projects). This report is focused on permitting for climate change adaptation projects, but it applies to so much more. The report is based on some terrific research and it presents four broad recommendations for improving permitting processes. One of the recommendations is called "the big table approach" for coordination and advanced planning--bringing people together to discuss projects and permitting issues in advance. Another recommendation is for the development of a regulatory "cookbook" to help applicants understand and navigate the regulatory process better. The commission also recommended the establishment of a dispute resolution process to deal with disagreements other than court. The last recommendation is for more flexibility for government agencies in relation to financial surety/endowment requirements for mitigation project maintenance.

Martha Davis

I'm really glad that the previous speakers brought up the points they did. Something I would like to add is the importance of focusing on relationships and how we view one-another. Looking at each other as partners is something that will help us begin moving forward together before some of the massive realignment needs can be dealt with.

Regarding all the regulatory challenges, the mission of resource conservation districts is similar to that of the regulatory agencies that we must get permits from. Just being able

to recognize this fact is critical to building partnerships and recognizing their value in making projects work.

From our perspective, it's important to recognize that regulators are doing good things for the environment and keeping it safe. It's also important to recognize that we won't have voluntary conservation if there's no "stick" looming in the background. The stick needs to be there to indirectly help drive some actions.

On the regulator's side of things, it's important for them to understand the district's side of this—resource conservation districts (RCDs) know their communities and the actions that are happening in them. RCDs bring a tremendous amount of value to the table toward achieving similar missions.

One of the examples for improving things that I want to share comes from Minnesota. Their version of our regional water quality control boards came up with an alternative program for RCDs in recognition that the RCDs know the good actors in their areas. The RCDs, working together with the federal Natural Resources Conservation Service (NRCS), are developing conservation plans for farmlands and then working with farmers to help them understand the plans and the good management practices needed to protect water quality and other natural resources. If a farmer agrees to follow the conservation plan, and is working with good intent to comply with the plan, then there's a certain amount of forgiveness given with respect to some of the regulatory requirements. In cases where a farmer exceeds a regulatory standard, or some other problem arises, the farmer will receive due consideration as being well-intentioned and regulators will work together with the farmer in a constructive manner to help solve the problem.

The strategy I just described allows Minnesota's version of a regional board to focus more on situations where bad things are happening and people are not acting with good intent. This strategy is a really good example of how we can look at solving the regulatory alignment problem in different ways.

Regarding the permitting process, people that have beneficial projects that are in line with a regulatory agency's mission should be treated differently. They shouldn't have follow the same process as other types of projects.

In summary, relationship and trust building to help everyone come to a middle ground in our missions is the most important piece to solving all this. Some other specific solutions that were mentioned, or that are in the stakeholder perspectives document, include:

- Access to pre-planning collaboration—being able to have conversations between project proponents and regulators in advance of permit applications
- Grants that acknowledge and provide support for the regulatory processes for beneficial projects
- Regulators working with each other so that applicants don't have to run their projects back and forth between each regulator to get projects approved
- Having regulatory processes that better accommodate beneficial projects.

Finally, I want to mention the California Association of Resource Conservation Districts' annual conference from November 15 through 17, 2017. We will be taking about alignment needs and related issues during the conference.

Lynn Rodriguez

I want to thank all the panelists for their excellent thoughts, and for the time they put into preparing for today. This has been a great discussion in a short amount of time. We didn't get to all the questions, but some of the things the panelists said also apply to the questions we didn't get to today. This session is a great "teaser" for more in-depth discussions moving forward.

So, as far as the question: "What should happen now?", I think there's a need to bring all of the discussions and input received so far together in one place. One of the recommendations in the stakeholder perspectives document is to create a task force to identify all of the IRWM-related regulatory alignment issues. That could be a little duplicative of other efforts, but I know this is something that the IRWM Roundtable of Regions would be committed to working on with DWR and the regulatory agencies.

There's still a lot of work to be done. We need to identify the right people to be part of the discussion to identify solutions. Even if we just wrote up all the suggestions that came out of today that could almost be the cookbook for moving forward and identifying future actions.

Just to reiterate some of the important themes I heard earlier…

- Relationships and trust are hugely important
- Communication and coordination—that's what IRWM is about
- We need to understand each other better, including the outcomes and values we each represent
- Alternative paths to regulatory compliance, we heard a lot about how that is working
- Front-end collaboration—figuring things out up front rather than fixing things later

- Human capital to support coordination—having someone for each IRWM region to support communication and coordination. The stakeholder perspectives document includes a recommendation of IRWM baseline funding that could support this.
- Increasing regulatory agency staff so that they can keep up with the workload.
- All the things that came out of the Little Hoover Commission report.
- Risk-based approaches to regulation.

I would like to see all of these things written out so that we can take this information back to our regions and our local agency elected officials and then begin improving relationships with the regulatory agencies.

Biographical Summaries

Panel Moderator

Lynn Rodriguez has worked in the field of water resource management since 1981, focused primarily in Ventura and Santa Barbara counties. She has managed the Watersheds Coalition of Ventura County (WCVC) IRWM Program since 2005. She authored the two IRWM plans for the region and manages the ongoing stakeholder process. She also serves as co-chair of the statewide IRWM Roundtable of Regions and the LA-Ventura Funding Area Disadvantaged Community Involvement Task Force. She has served on numerous local, statewide, and national committees addressing water management issues.

Panel Members (in speaking order)

Steven Moore was appointed to the State Water Resources Control Board by Governor Edmund G. Brown Jr. in 2012, reappointed in 2016, and elected as vice chair of the board in 2017. He previously served on the San Francisco Bay Regional Water Board from 2008 to 2012 under the Brown and Schwarzenegger Administrations and held staff positions at that regional water board at various times between 1992 and 2006. Between 1989 and 2012, Steven worked more than 10 years as an engineer and consultant on a wide variety of water infrastructure projects including sewer reconstruction, recycled water, stormwater, water supply, stream and wetland restoration, and environmental impact reports throughout California. Steven has experience in both obtaining and issuing discharge permits, wetland permits, and clean water grants and loans. He led basin planning for the regional water board from 2002 to 2006. Steven holds a bachelor of science degree in biological sciences and a

master of science degree in civil engineering, both from Stanford University. He is a registered civil engineer and a member of the American Society of Civil Engineers.

Junko Hoshi, Ph.D., Climate Science and Renewable Energy Branch, California Department of Fish and Wildlife (CDFW). Junko's passions for nature go back to her first memory gorging on wild raspberries in a secondary forest near her home in Tokyo. Urban sprawl was approaching fast and in two years, those forests transformed into a forest of housing, except for areas protected under the city's zoning codes. This experience eventually led to her career change after being established as an ASIC design engineer/mathematician at Seagate Technology. For the past 10 years at CDFW, she has engaged on prioritizing ecosystem conservation activities at the state, national, and international levels. Her engagement includes the Bay Delta Conservation Plan, Desert Renewable Energy Conservation Plan, and as a lead and author for the California State Wildlife Action Plan 2015 Updates, and the companion plans (e.g. water companion plan). She has fostered partner engagement through California Biodiversity and Strategic Growth Councils, Landscape Conservation Cooperatives, and Association of Fish and Wildlife Agencies, among others. Junko is a master gardener and certified herbalist. If not in meetings or in front of her computer, you would probably find her harvesting seeds, stems, and roots to eat and to propagate somewhere out there.

Martha Davis is the former assistant general manager/executive manager for Policy Development, now retired, at the Inland Empire Utilities Agency (IEUA), a municipal water district serving 830,000 people in the western portion of San Bernardino County. IEUA provides regional sewage treatment services, distributes imported water and recycled water supplies, and provides other utility services for the Chino Basin. Since 2000, Martha has led many of the agency's award-winning conservation planning and green programs, including initiatives promoting water conservation, renewable energy, stormwater capture, and recycled water. She also serves on multiple boards including the California Section of the Water Reuse Association, the Mono Lake Committee, and the Sierra Institute for Community and Environment where she is president of the board.

Carl Morrison

[Editor's note] - On April 6, 2018, Carl Morrison tragically passed away in a single-engine plane crash near the Petaluma Municipal Airport in California. Among Carl's countless attributes, he was an extremely kind and generous man. He was also immensely well respected in California's water management community.

Carl Morrison was president of Morrison & Associates, Inc., an environmental public and government relations firm founded after Carl retired from the U.S. Marine Corps where he served in various assignments, including in public affairs and as a judge advocate. He also served as the administrator of the (San Francisco) Bay Area Flood Protection Agencies Association. In that role, Carl worked to improve the permitting process by coordinating with the U.S. Army Corps of Engineers and facilitating regular meetings with the San Francisco Bay Regional Water Quality Control Board and the Bay Delta Region of the California Department of Fish and Wildlife.

Vincent Gin leads the Watershed Stewardship and Planning Division for the Santa Clara Valley Water District. Vincent received his bachelor of science degree in civil engineering from the University of California, Irvine and is a registered engineer in California. He has more than 20 years of experience in flood control, environmental permitting, water quality, harbor infrastructure, and project delivery. Prior to joining the district, Vincent was the regulatory and policy division manager for Orange County Public Works. In 2010, he received the Government Engineer of Merit Award from the American Society of Civil Engineers' Orange County Branch, and the Outstanding Engineer of Merit Award from the Orange County Engineering Council. Vincent is also an active member in the National Association of Flood and Stormwater Management Agencies.

Karen Buhr has been leading the California Association of Resource Conservation Districts for seven years and has an excellent knowledge base of California, the state's resource conservation districts, and what it takes to get work done. She has facilitated countless projects throughout the state, including leading a grass roots capacity building movement that facilitated more than 100 RCD participants to create a vision and set of standards for California RCDs. She has also served on various statewide committees, panels, and targeted efforts for State agencies and partners. In the last few years, Karen has specifically worked to coordinate RCDs and public

and private partners around climate change adaptation and mitigation, as well as sustainable agriculture and ranching. In addition to her experience, Karen holds a master of science degree in natural resource science and management from the University of Minnesota, and a bachelor of arts degree in environmental studies from Macalester College in St Paul, Minnesota.

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